State Plan Under Title XIX of the Social Security Act Medical Assistance Program

State: North Carolina

Payments for Medical and Remedial Care and Services

Payment for Orthotics and Prosthetics:

SFY 2004 – No adjustment.

SFY 2005 and 2006 – No rate increase from the June 30, 2005 rate for all Medicaid private and public providers with the following exceptions: federally qualified health clinics, rural health centers, state institutions, outpatient hospital, pharmacy and the non-inflationary components of the case-mix reimbursement system for nursing facilities.

NC General Assembly legislation mandates that effective July 1, 2005, reimbursement rates for these programs (Orthotics and Prosthetics) for the state fiscal years 2005-2006 and 2006-2007 will remain at the rate in effect as of June 30, 2005, except Medicaid rates may be adjusted downward in accordance with the current year's downward adjustments to the Medicare fee schedule.

SFY 2007 - Inflationary increase of 2.05% was applied to the Orthotics and Prosthetics program.

SFY 2009 - The rates for Orthotics and Prosthetics are frozen at the rates in effect on June 30, 2008.

SFY 2010 – Effective October 1, 2009, an overall negative rate adjustment of 4.15% was applied. There will be no further annual rate adjustment for SFY 2010.

SFY 2011 - As of July 1, 2010 rates will be frozen.

SFY 2012 – Rates will be frozen at the rate in effect on June 30, 2011. Effective October 1, 2011, existing rates are adjusted by a negative 2.67% to yield a twelve (12) month two percent (2%) reduction in the nine (9) remaining months of this State Fiscal Year.

SFY 2013 – Effective July 1, 2012, the rates will be adjusted such that they will equal 98% of the rate in effect July 1, 2011. There will be no further annual adjustments this state fiscal year except that Medicaid rates may be adjusted downward in accordance with the current years downward adjustments to the Medicare fee schedule.

Reference: Attachment 4.19-B Section 12, Page 3

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